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Memorandum

To: Central Valley Operations Manager, Bureau of Reclamation
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From: Regional Director, Bureau of Reclamation
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NOV 02 2005

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Subject: Guidelines for pilot program for banking Water Year 2005 (b)(2) water

This memorandum describes the (b)(2) banking pilot program and provides guidance that applies to banking Water Year (WY) 2005 (b)(2) water for use in WY 2006. This (b)(2) banking pilot program is specific to the 2005-2006 period and is not intended to limit banking procedures or set a precedent in future years when hydrologic and/or operational conditions may be different. These guidelines for banking (b)(2) water from WY 2005 are not intended to be Interior's long-term banking policy.

Two documents provide the basic principles and guidelines for banking (b)(2) water:
(1) CVPIA §3408 (d) which states:

Use of Project Facilities for Water Banking – The Secretary, in consultation with the State of California, is authorized to enter into agreements to allow project contracting entities to use project facilities, where such facilities are not otherwise committed or required to fulfill project purposes or other Federal obligations, for supplying carry-over storage of irrigation and other water for drought protection, multiple-benefit credit-storage operations, and other purposes. The use of such water shall be consistent with and subject to State law. All or a portion of the water provided for fish and wildlife under this title may be banked for fish and wildlife purposes in accordance with this subsection.

(2) Interior's May 2003 (b)(2) Decision on Implementation, which provides general guidance on where and how (b)(2) can be banked, transferred, or exchanged (attached).

For purposes of the (b)(2) banking pilot program, beginning in October, 2005 approximately 128,000 acre-feet of the carried over (b)(2) water will be stipulated to be in Shasta and Folsom reservoirs in proportion to their respective estimated 2005 unimpaired inflow (i.e., 64% in Shasta and 36% in Folsom). The banked (b)(2) water will be considered a discrete, physical volume of water in each reservoir that will be used and accounted for separately from the WY 2006 (b)(2) allocation, consistent with Interior's May 2003 (b)(2) Decision.

The following guidelines apply to the (b)(2) banking pilot program:

1. The WY 2005 daily (b)(2) accounting spreadsheet will be the basis for determining how much (b)(2) water will be banked in WY 2006. For purposes of this (b)(2) banking pilot program the assumptions made regarding the baseline and (b)(2) accounting are for this year only and are not intended to set a precedent for future (b)(2) accounting. The WY 2005 (b)(2) accounting will be finalized no later than November 1, 2005.
2. The actual use of banked (b)(2) water will be dependent on fishery needs as well as hydrologic and operational conditions. At this time the following potential actions have been identified:
 - Flow augmentations on the Sacramento and American rivers
 - Up to 5,000 acre-feet for a pilot study to pre-wet and maintain flows on the Cosumnes River from October through December (This water will be released from Folsom Reservoir and conveyed to the Cosumnes River via the Folsom-South Canal)
 - If conditions allow, up to an additional 50,000 acre-feet could be used for supplemental refuge water supply for maintenance flows and/or in lieu of Level 4 water acquisitions
 - Use of banked water as an asset to support export curtailments
3. Priority for conveyance and storage of banked (b)(2) water will be consistent with the May 2003 (b)(2) Decision.
4. Banked (b)(2) water may be transferred or exchanged with other project or non-project water users including the Environmental Water Account (EWA), consistent with the May 2003 (b)(2) Decision.
5. Banked (b)(2) water will be subject to carriage losses, storage losses, and conveyance losses consistent with the May 2003 (b)(2) Decision.
6. Banked (b)(2) water may be transferred from Shasta or Folsom reservoirs to the Federal side of San Luis if conveyance at either pumping facility is available and the necessary Joint Point of Diversion authority is in place. Once appropriate carriage losses have been

subtracted the (b)(2) water may be transferred or exchanged with the EWA or to support supplemental refuge water supplies.

7. The transfer, exchange, and/or banking of (b)(2) water cannot interfere with the storage, diversion, or delivery of water for other purposes of the CVP.
8. If Folsom Reservoir becomes encroached with respect to space reserved for flood control purposes and/or releases are increased for flood control purposes, the remaining banked (b)(2) water in Folsom, if any, will be deemed to have begun spilling. If and when flood control releases necessary to avoid encroachment amount to the remaining banked water, all banked water in Folsom will be considered spilled.
9. If Shasta Reservoir becomes encroached with respect to space reserved for flood control purposes and/or releases are increased for flood control purposes, the remaining banked (b)(2) water in Shasta, if any, will be deemed to have begun spilling. If and when flood control releases necessary to avoid encroachment amount to the remaining banked water, all banked water in Shasta will be considered spilled.

